



# ADVISORY BULLETIN

June 22, 2020  
Supersedes April 8, 2020

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## Guidance on the Phase-Out Process Ending External Transfers to the Regulated Market

The Marijuana Regulatory Agency's (MRA) goal is to stimulate business growth while protecting patient safety. To support that goal, the MRA will implement a phase-out process for the transfer of marijuana and marijuana products into the regulated market from caregivers. **Effective immediately, the MRA will not permit caregiver produced or derived product to enter the adult-use market.** The phase-out process will occur between March 1, 2020 and October 1, 2020, with a final termination of all external marijuana transfers on September 30, 2020.

During this time, the MRA will work closely with licensees to build relationships and provide outreach to assist licensees during the transition. The phase-out process will occur in two steps. If there are any questions during this phase-out process, please reach out to [MRA-compliance@michigan.gov](mailto:MRA-compliance@michigan.gov) for support and assistance.

### **Phase 1: Effective March 1, 2020**

#### **Growers and Processors**

**Effective April 8, 2020, the MRA will not permit caregiver-produced or derived product to enter the adult-use market. Any equivalent license transfer request submitted to the MRA that includes caregiver-produced or derived products will be denied.**

Marijuana flower is defined as bud, shake, and trim only. During Phase 1, which **takes effect March 1, 2020 and ends May 31, 2020**, a grower or processor licensed under the Medical Marihuana Facilities Licensing Act (MMFLA) who obtains marijuana flower directly from a caregiver who produced the flower will not be subject to disciplinary action by the MRA under the following circumstances:

- The licensee enters all inventory into the statewide monitoring system immediately upon receipt and documents the receipt of caregiver flower as an external transfer.
- The licensee only transfers marijuana flower between MMFLA licensed facilities that has been tested in full compliance with the law and administrative rules.
- The licensee tags or packages all inventory that has been identified in the statewide monitoring system and transfers marijuana flower by means of a secured transporter, except where exempted under the MMFLA.



# ADVISORY BULLETIN

June 22, 2020  
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---

**Note:** Effective March 1, 2020, licensees who obtain marijuana plants [except as authorized by [MCL333.27501\(2\)](#)], marijuana concentrates, marijuana vape cartridges, or infused products from caregivers will be subject to disciplinary action.

## **Phase 2: Effective June 1, 2020**

### **Growers**

**Effective April 8, 2020, the MRA will not permit caregiver-produced or derived product to enter the adult-use market. Any equivalent license transfer request submitted to the MRA that includes caregiver-produced or derived products will be denied.**

Marijuana flower is defined as bud, shake, and trim only. During Phase 2, which **takes effect June 1, 2020 and ends September 30, 2020**, a grower licensed under the MMFLA who obtains marijuana flower directly from a caregiver who produced the flower will not be subject to disciplinary action by the MRA under the following circumstances:

- The licensee enters all inventory into the statewide monitoring system immediately upon receipt and documents the receipt of caregiver flower as an external transfer.
- The licensee only transfers marijuana flower between MMFLA licensed facilities that has been tested in full compliance with the law and administrative rules.
- The licensee tags or packages all inventory that has been identified in the statewide monitoring system and transfers marijuana flower by means of a secure transporter, except where exempted under the MMFLA.
- The total weight of marijuana flower a licensee obtains from caregivers is less than or equal to the total weight of marijuana flower that the licensee harvested (both wet and dry) between March 1, 2020 and May 31, 2020 **plus** the projected harvest weight (dry) of all plants that are in the flowering process on May 31, 2020.

**Table 1.** *Example breakdown of Phase 2 for a hypothetical grow facility. These values will be different for each facility. It is the responsibility of the licensee to track these values for each license held and to remain in active compliance beginning on June 1, 2020.*



# ADVISORY BULLETIN

June 22, 2020  
Supersedes April 8, 2020

Cumulative weight of dry, packaged, harvests (Mar 1 -May 31)	Cumulative harvest weight of existing wet, curing, harvests (Mar 1 -May 31)	Est. final weight of existing wet, curing, harvests (Mar 1 - May 31) = (equal to) Harvest weight (wet) X (multiplied by) 0.15	Number of plants in the flowering process (May 31, 2020)	Est. dry weight - all plants in the flowering process (May 31, 2020) = (equal to) number of plants X (multiplied by) 0.75 lbs.	Total harvested weight (dry) + (plus) Est. harvested weight (wet) + (plus) Est. dry weight (Mar 1 -May 31)	Total weight eligible for external transfer (Jun 1 – Sep 30) = (equal to) [Total harvested weight (dry) + (plus) Est. harvested weight (wet) + (plus) Est. dry weight]
100 lbs.	1000 lbs.	150 lbs.	1200 plants	900lbs	1150 lbs.	1150 lbs.

## Processors

**Effective April 8, 2020, the MRA will not permit caregiver-produced or derived product to enter the adult-use market. Any equivalent license transfer request submitted to the MRA that includes caregiver-produced or derived products will be denied.**

Marijuana flower is defined as bud, shake, and trim only. During Phase 2, **which takes effect June 1, 2020 and ends September 30, 2020**, a processor licensed under the MMFLA who obtains marijuana flower directly from a caregiver who produced the flower will not be subject to disciplinary action by the MRA under the following circumstances:

- The licensee enters all inventory into the statewide monitoring system immediately upon receipt and documents the receipt of caregiver flower as an external transfer.
- The licensee only transfers marijuana flower between MMFLA licensed facilities that has been tested in full compliance with the law and administrative rules.
- The licensee tags or packages all inventory that has been identified in the statewide monitoring system and transfers marijuana flower by means of a secure transporter, except where exempted under the MMFLA.
- The marijuana flower obtained from caregivers is processed and not sold or transferred as marijuana flower.
- The total weight of marijuana flower a licensee obtains from caregivers is less than or equal to 50% of the total weight of marijuana flower the licensee obtained from

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# ADVISORY BULLETIN

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caregivers between the dates of March 1, 2020 and May 31, 2020.

**Table 2.** *Example breakdown of Phase 2 for a hypothetical processing facility. These values will be different for each facility. It is the responsibility of the licensee to track these values for each license held and to remain in active compliance beginning on June 1, 2020.*

Total weight of marijuana flower brought in through external transfers (Mar 1 -May 31)	Total weight of marijuana flower to be brought in through external transfers (Jun 1 – Sep 30)
1000 lbs.	500 lbs.

## **Effective October 1, 2020**

A licensee who accepts an external transfer after September 30, 2020 will be subject to disciplinary action by the Marijuana Regulatory Agency (MRA).

## **Notes**

While **Provisioning Centers** are no longer permitted to bring in marijuana flower, marijuana concentrates, marijuana vape cartridges, or infused products from caregivers, licensees **must continue to** obtain patient consent on a form provided by the MRA prior to selling any marijuana or marijuana products obtained from a caregiver prior to April 1, 2019, that have not been tested in full compliance with the law and administrative rules.